

Service Date June 16, 1975

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER of the application	)	
of MONTANA-DAKOTA UTILITIES COMPANY	)	DOCKET NO. <u>6315</u>
for authorization of the issuance	)	
of \$30,000,000 of promissory notes.	)	ORDER NO. <u>4194</u>

On April 15 , 1975, the Montana-Dakota Utilities Company, hereinafter called the Applicant, a corporation organized under the laws of the State of Delaware and qualified to transact business in Montana, filed with the Public Service Commission of Montana, its verified application, pursuant to Sections 70-117.1 through 70-117.6, R.C.M. 1947, requesting authority to issue promissory notes in the amount of \$30,000,000.

It is alleged in the application that Montana-Dakota Utilities is a public utility as defined in Section 70-103, RCM, 1947, in that it furnishes electric and natural gas service in Montana; that Montana-Dakota Utilities' principal executive office is 400 North Fourth Street, Bismarck, North Dakota 58501; and that Montana-Dakota Utilities is duly qualified to do business in the states of Montana, Minnesota, North Dakota, South Dakota and Wyoming. Reference is hereby made to the annual reports of Montana-Dakota Utilities on file with the Commission with respect to the general character of Montana-Dakota Utilities' business and the territory served by it.

The Promissory Notes proposed to be issued will either be in the form of ordinary unsecured promissory notes or in the form of commercial paper.

The maximum aggregate principal amount of such Promissory Notes outstanding at any one time shall be \$30,000,000 of which the amount of Notes issued in the form of commercial paper outstanding at any one time shall not exceed \$10,000,000.

The Notes will bear interest at the best rate for bank loans available to comparable companies in effect on the date such Notes are issued (which presently is the prime commercial rate), or in the case of Notes issued in the form of commercial paper, at the prevailing commercial paper rates for Prime -1 companies in effect on the date such Notes are issued.

The Notes will be dated as of the dates of their respective issues, which will not be later than December 31, 1976, due not more than one year (270 days for commercial paper) after the dates of their respective issue, and not later than December 31, 1977.

The Notes are to be issued as temporary financing which Applicant presently intends to pay from the proceeds of long-term debt securities tentatively scheduled for sale in the first half of 1976. However, market conditions, indenture restrictions and other factors may affect the decision as to what long-term securities are to be sold and may cause the postponement of such sales until later in 1976 or 1977.

The Notes issued directly to the purchasing commercial banks will be issued at par. The Notes issued as commercial paper through A. G. Becker & Co., Inc. or other recognized investment bankers will be issued at a discount which will not be in excess of the discount rate per annum prevailing at the date of issuance for commercial paper of comparable quality and like maturities. Except for the above discount with respect to the commercial paper and legal fees in a nominal amount, there will be no underwriting commissions or other expense in connection with the issuance of the Notes.

Having fully considered the application and all the files and records pertaining thereto on file with the Commission, and being fully advised in the premises the Commission makes the following:

## FINDINGS OF FACT

1. That the Applicant, Montana-Dakota Utilities Company, is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.

2. That Montana-Dakota Utilities Company is operating as a public utility as defined in Section 70-103, RCM, 1947, and as such is engaged in furnishing electric and natural gas service in Montana.

3. That the Commission has jurisdiction over the subject matter of said Application under Sections 70-117.1 through 70—117.6, RCM, 1947.

4. That issuance of Notes proposed by the Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that same are necessary or appropriate for and consistent with the proper performance by the Applicant of service as a public utility? and that the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

5. That the Montana Public Service Commission held a public hearing on this issue on May 27, 1975, at 10:00 A.M. in the Conference room of the Public Service Commission, 1227 11th Avenue, Helena, Montana? that the hearing was properly noticed in the Billings Gazette on May 9, 1975, and that no protestants appeared against the proposed security issue; that the hearing was attended by Commissioners Bollinger, Shea and Turman.

## CONCLUSION

The Commission concludes that the application of the Montana-Dakota Utilities Company should be granted as hereinafter ordered.

## ORDER

NOW THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on June 3, 1975, there being present Chairman Gordon E. Bollinger and Commissioners James R. Shea, and George Turman, there regularly came before the Commission for final action, the matters and things in Docket No. 6315 and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the application of the Montana-Dakota Utilities Company for authority to issue \$30,000,000 in Promissory Notes bearing interest at the best rate for bank loans for comparable companies in effect on the date such Notes are issued (which presently is the prime or commercial rate) , or in the case of Notes issued in the form of commercial paper, at the prevailing commercial paper rates for Prime - 1 companies in effect on the date such Notes are issued and to use the proceeds thereof for the purposes set forth in said application and as set forth above, be, and the same is hereby approved.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter which may come before this Commission pursuant to its jurisdiction as provided by law.

Issuance of this order does not mean acceptance of the applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

IT IS FURTHER ORDERED that nothing in this order and no provisions of Sections 70-117.1 through 70-117.6, or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of Sections 70-117.1 through 70-117.6, RCM, 1947.

Ordered by a 5—0 vote.

DONE in open session at Helena, Montana this 3<sup>rd</sup> day of June 1975.

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GORDON E. BOLLINGER, Chairman

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P.J. GILFEATHER, Commissioner

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THOMAS G. MONAHAN, Commissioner

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JAMES R. SHEA, Commissioner

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GEORGE TURMAN, Commissioner

ATTEST:

Gail Behan  
Secretary

(SEAL)